

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

North American Numbering Plan)
Administration)CC Docket No. 92-237
NSD File No. 98-10**COMMENTS OF WORLDCOM, INC.**

WorldCom, Inc. ("WorldCom") hereby files its comments in opposition to the petition for waiver ("Petition") filed by the National Exchange Carrier Association ("NECA") on January 27, 1998 in the above-captioned proceeding. Should the Commission decide to grant NECA's unsupported petition, however, certain necessary conditions and clarifications must be imposed.

I. INTRODUCTION

WorldCom, Inc. is a premier global telecommunications company. Through its wholly-owned subsidiaries WorldCom Technologies, Inc., MFS Telecom, Inc., WorldCom Network Services (d/b/a WilTel Network Services), and UUNET Technologies, Inc., the new WorldCom provides its business and residential customers with a full range of facilities-based and fully integrated local, long distance, international, and Internet services. In particular, WorldCom currently is the fourth largest facilities-based interexchange carrier ("IXC") in the United States, as well as a significant facilities-based competitive local exchange carrier ("CLEC") and Internet service provider ("ISP").

WorldCom, Inc. files these comments concerning NECA's proposed waiver of obligations imposed by the Commission regarding NECA's billing and collection ("B&C")

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activities. NECA has asked that it only have to underwrite the expense of one annual in-person meeting of the board of the new non-profit subsidiary overseeing NECA's B&C activity, NBANC, as required by an earlier Commission order.¹ Instead, NECA proposes one quarterly meeting per year in Washington, D.C. and the other three required meetings as conference calls open to the public.

In principle, WorldCom does not have any serious objection to a slight delay in the process of establishing the new separate subsidiary, or to holding conference call meetings in the place of in-face meetings. WorldCom does have serious reservations, however, about NECA's continuing inability to fulfill a role it so vigorously pursued, and its newly-articulated unwillingness to underwrite the cost of the neutrality cure that was expressly required by the Commission. For that reason alone, the Commission should reject NECA's Petition as unsupported and contrary to the public interest.

II. ANY GRANT OF NECA'S PETITION MUST INCLUDE CERTAIN CONDITIONS AND CLARIFICATIONS

The Commission is well aware of the recent controversy regarding NECA and its attempts to re-bid the fixed price contract to perform B&C activity. A brief review of that history, however, will place NECA's Petition in the proper perspective. This chronology is

¹ NECA Petition at 3; see Administration of the North American Numbering Plan and Toll Free Service access Codes, Third Report and Order, CC Docket Nos. 92-237 and 95-155, FCC 97-372 (released Oct. 9, 1997) ("Third Report and Order").

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based on the actual experience of one of the co-signors of these comments.

On October 9, 1997, the Commission released its Third Report and Order directing that Lockheed Martin IMS (LM) be the administrator for the NANP, and that NECA serve as the B&C Agent. WorldCom is privileged to be a member of the Cost Recovery Work Group (CRWG) under the North American Numbering Council (NANC), and in early November began to work with its colleagues, NECA, and LM in their respective B&C roles. Meetings were held, both by telephone and in-person, to discuss the roles, responsibilities, and requirements that needed to be fulfilled under the Commission's order. During these meetings, various concerns and issues were raised by all sides. It was not until the process was well underway, however, that NECA began to vocalize concerns of an ill-defined nature regarding the meeting and travel expense requirements.

Eventually, NECA conveyed its view that the Third Report and Order carried a cost that exceeded what NECA claimed it could bear based on its winning bid. At the December 12 meeting, NECA estimated for the first time specific additional dollar amounts that it claimed were needed.

Four days later, at the NANC's December 16 meeting, NECA provided a second round of dollar estimates on an annual basis; these estimates were even higher than earlier estimates, and strikingly similar to (and above by two years) the LM bid for performing the very same B&C function. NECA's new estimates for the next five years were \$415,800, \$422,820, \$438,380, \$456,440, and \$473,550.

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Three days later, at a NANC December 19 Steering Committee conference call, NECA -- in apparent response to criticism at the NANC meeting -- provided a third different set of dollar estimates, drastically shorn from the two previous sets of estimates. NECA's reduced yearly estimates now were \$327,800, \$336,300, \$348,350, \$362,850, and \$376,000, respectively. During the Steering Committee call, members cast a vote recommending that the full Council replace NECA with LM as the B&C Agent. The NANC Chair then polled the full Council members via e-mail from December 22 to December 31; 17 members supported the recommendation, while only two voted against and one abstained (two additional votes supporting the recommendation to replace NECA came in after the deadline). On January 7, 1998, the NANC recommendation to replace NECA with LM as the B&C Agent was conveyed to the Commission.

Two weeks later, at the January 20 NANC meeting, NECA implored NANC to allow it to retain its B&C Agent position. NECA also intimated that it might resort to unspecified legal action if it were replaced as the B&C Agent.

In a January 26 letter to the Common Carrier Bureau, NECA for the fourth time revised its apparent "bid" price. The letter promised that NECA would do its job for no more than \$25,000 extra per year for each of the five years, and for an additional \$22,000 and \$24,000 in the second and fourth years respectively for the two extra audits. This latest commitment was premised on the Commission revising its order to allow NECA to underwrite the expenses of board members for only one Washington, D.C. quarterly meeting.

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WorldCom is quite disturbed by these recent events, and the uncertainty and unnecessary upheaval caused by NECA's actions. This type of behavior appears to validate WorldCom's longstanding concerns about granting NECA any substantial role in a post-1996 Act telecommunications environment. In this particular instance, WorldCom remains pessimistic about NECA's attitude and intentions regarding its handling of the B&C Agent role.

WorldCom also would point out a peculiar footnote in NECA's Petition, which states:

NECA expects the first NBANC board meeting will occur shortly, and that the requested waiver need not exceed 90 days duration. Board nominations have been received and finalization of board representation is imminent. NECA intends to report on its progress to the NANC, the NANPA and the Commission, and will relinquish responsibility for the program to NBANC at its initial board meeting.²

WorldCom assumes that the last sentence in the footnote is simply a matter of poor word choice, and that NECA is not revealing any intention to dump its obligations and responsibilities on an unsuspecting subsidiary. WorldCom reminds NECA that the Commission chose NECA to be the B&C Agent, and that the independent subsidiary -- NBANC -- was ordered by the Commission to oversee NECA's activities, not to operate in place of NECA as the B&C Agent. In no way is NBANC a B&C agent. The Commission should not allow NECA to foist its own financial, legal, and operational responsibilities onto NBANC.

² NECA Petition at 2 n.7 (emphasis added); see also NECA Petition at 3 (NECA "will relinquish responsibility immediately upon NBANC's first board meeting....").

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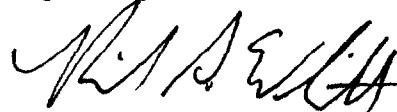
Given the unseemly chronology relayed above, WorldCom does not support NECA's Petition. Nonetheless, should the Commission decide to grant some or all of the relief NECA seeks, WorldCom believes that significant safeguards must be put in place to ensure that history does not repeat itself. First, WorldCom urges that the Commission clarify that its requirement of one meeting per quarter is to be seen only as a minimum requirement, and that NECA must agree to schedule monthly (or even more frequent) conference calls on an "as needed" basis. NBANC should be instrumental in determining the frequency of communications between NECA and the rest of the industry. Second, the Commission should clarify that NBANC is NECA's overseer, and must have unfettered access to whatever legal or financial information it desires from NECA regarding NECA's B&C activities. Finally, WorldCom urges the Commission to clarify that NECA (for now, anyway) has been deemed the B&C Agent, and should not attempt to unload any of its tasks, obligations, and responsibilities on the 14-member board.

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III. CONCLUSION

The Commission should reject NECA's Petition. In the alternative, the Commission should adopt the clarifications and additional safeguards requested above.

Respectfully submitted,



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February 20, 1998

CERTIFICATE OF SERVICE

I, Cecelia Y. Johnson, hereby certify that I have this 20th day of February, 1998, sent a copy of the foregoing "Comments of WorldCom, Inc." by hand delivery, to the following:


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